



FOR IMMEDIATE RELEASE

For more information, contact:
Mike Gowrylow
(360) 570-6048

Instructions for retailers on sales tax exemption for British Columbia residents now available on Revenue's website

OLYMPIA – Jan. 10, 2010 – The Department of Revenue has posted instructions on its website for retailers who may be selling goods tax-free to British Columbia residents beginning July 1.

British Columbia residents will become eligible for the tax break because the province is shifting from a Provincial Sales Tax to a Harmonized Sales Tax (HST) July 1. Despite the name, the combined federal-provincial HST is a value-added tax and not a sales tax.

A 1965 Washington law allows Washington merchants to sell products to residents of states and provinces that have either no sales tax or a sales tax of less than three percent. Currently, residents of six states, four U.S. possessions, and eight provinces qualify, and both British Columbia and Ontario will be added July 1.

The exemption applies only to the sale of tangible personal property that will be used outside Washington and does not apply to lodging, meals, or other retail services that are provided in the state.

A seller making exempt sales to eligible nonresidents must keep a record of it to prove the buyer qualified for the tax exemption in the event the seller is audited. Generally the seller can record the information from the purchaser's driver's license (ID number, expiration date, purchaser's name, and state of residency). Complete information on the record-keeping requirements is posted at <http://dor.wa.gov/nonresidents/>.

###

To inquire about the availability of this document in an alternate format for the visually impaired, please call (360) 705-6715. Teletype (TTY) users please call 1-800-451-7985.